

Hatch Warren 1992 Limited
Annual report
for the year ended 30 September 2000

Registered Number 2018842



Hatch Warren 1992 Limited

Annual report

for the year ended 30 September 2000

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Hatch Warren 1992 Limited

Directors and Advisors for the year ended 30 September 2000

Directors

R H Dickinson

R J Dickinson

S Dickinson

A R Cunningham

G J Davis

Secretary and registered office

G J Davis

Times Square

Newcastle upon Tyne

NE1 4EP

Auditors

PricewaterhouseCoopers

89 Sandyford Road

Newcastle upon Tyne

NE99 1PL

Solicitors

Dickinson Dees

St Ann's Wharf

112 Quayside

Newcastle upon Tyne

NE99 1SB

Bankers

Barclays Bank Plc

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3PN

Hatch Warren 1992 Limited

Directors' report for the year ended 30 September 2000

The directors present their report and the audited consolidated financial statements for the year ended 30 September 2000.

Principal activities and review of the business

The principal activity of the company and group during the year remains that of property trading and land development.

The directors consider the level of the group's activities to be satisfactory and expect it to continue to be so in future years.

Results

The consolidated results for the year are set out on page 6.

Dividends

The directors do not recommend a dividend for the year (1999: £Nil). The profit for the financial year of £3,957,305 (1999: £2,705,662) will be transferred to reserves.

Directors

The directors who served during the year and to the date of this report, unless otherwise stated were:

R H Dickinson (Chairman)
R J Dickinson
S Dickinson
A R Cunningham
G J Davis

The directors have no beneficial interest in the share capital of the company or any of its subsidiaries. The beneficial interests of Mr R H Dickinson, Mr R J Dickinson, Mr S Dickinson and Mr A R Cunningham in the shares of the ultimate holding company, Grainger Trust p.l.c., are shown in the annual report of Grainger Trust p.l.c.

The beneficial interests of the other director in the shares of Grainger Trust p.l.c. were as follows:

	30 September 2000	30 September 1999
	Number	Number
G J Davis	37,059	17,356

Hatch Warren 1992 Limited

Director's share options at 30 September 2000

		Ordinary shares of 25p each	
		Mr G J Davis	
Option price	Date exercisable	2000	1999
Revenue approved schemes			
128.4p	19 July 1994 to 18 July 2001	-	20,000
LTIP scheme			
267.1p	9 July 2000 to 9 July 2007	8,911	8,911
SAYE scheme			
214p	5 August 2002 to 5 February 2003	8,060	8,060
Total number of share options		16,971	36,971

During the year Mr G J Davis exercised options on 20,000 shares at an option price of 128.4p. At the date of exercise the mid-market price per share was 477.5p per share.

Statement of directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the group and company as at the end of the financial year and of the profit of the group for that year.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 September 2000. The directors also confirm that applicable accounting standards have been followed and that the statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Hatch Warren 1992 Limited

Auditors

A resolution to reappoint PricewaterhouseCoopers will be proposed at the annual general meeting.

By order of the Board

A handwritten signature in black ink, appearing to read 'G J Davis', is written over the printed name.

G J Davis
Secretary

28 March 2001

Hatch Warren 1992 Limited

Auditors' report to the members of Hatch Warren 1992 Limited

We have audited the financial statements on pages 6 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group at 30 September 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Newcastle upon Tyne
28 March 2001

Hatch Warren 1992 Limited

Consolidated profit and loss account for the year ended 30 September 2000

	Note	2000 £	1999 £
Turnover		13,979,175	10,318,505
Trading profit		10,239,801	7,690,925
Development expenses			-
Property expenses		(34,562)	(31,685)
Other income		27,575	5,400
Administration expenses		(1,446,232)	(458,960)
Profit on ordinary activities before interest		8,786,582	7,205,680
Net interest payable and similar charges	2	(2,454,673)	(2,202,096)
Profit on ordinary activities before taxation		6,331,909	5,003,584
Taxation	3	(2,374,604)	(2,297,922)
Profit for the financial year	10	3,957,305	2,705,662

All activities of the group are continuing.

The company has no recognised gains and losses other than those included in the profits above and therefore no separate statement of total recognised gains and losses has been presented.

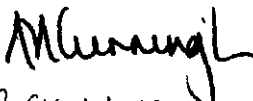
There is no difference between profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

Hatch Warren 1992 Limited

Consolidated balance sheet as at 30 September 2000

	Note	2000 Group £	2000 Company £	1999 Group £	1999 Company £
Current assets					
Stocks	5	8,321,054	86,998	3,241,753	83,076
Debtors	6	11,418,358	13,215,145	5,848,827	11,866,307
Cash at bank		-	904,106	6,138,255	166,113
		19,739,412	14,206,249	15,228,835	12,115,496
Creditors: amounts falling due within one year	7	(2,659,359)	(611,425)	(4,596,042)	(762,223)
Net current assets		17,080,053	13,594,824	10,632,793	11,353,273
Total assets less current liabilities		17,080,053	13,594,824	10,632,793	11,353,273
Creditors : amounts falling due after more than one year	8	(21,643,455)	(21,643,455)	(19,153,500)	(19,153,500)
Net liabilities		(4,563,402)	(8,048,631)	(8,520,707)	(7,800,227)
Capital and reserves					
Called up share capital	9	100,000	100,000	100,000	100,000
Profit and loss account	10	(4,663,402)	(8,148,631)	(8,620,707)	(7,900,227)
Equity shareholders' funds	11	(4,563,402)	(8,048,631)	(8,520,707)	(7,800,227)

The financial statements on pages 6 to 15 were approved by the board of directors on 28 March 2001 and were signed on its behalf by:


A.R. CUNNINGHAM
Director

Hatch Warren 1992 Limited

Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies which have been applied consistently, is set out below.

Accounting convention

The financial statements have been prepared on the historical cost basis of accounting.

The going concern assumption has been adopted in the preparation of these financial statements as the ultimate parent undertaking has indicated its willingness to provide financial support for the foreseeable future.

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 30 September 2000. The results of subsidiaries sold or acquired are included in the consolidated profit and loss account up to, or from, the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

On acquisition of a subsidiary, all of the subsidiary's assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date. All changes to those assets and liabilities, and the resulting gains and losses, that arise after the group has gained control of the subsidiary are charged to the post acquisition profit and loss account.

Goodwill arising on the acquisitions of subsidiaries prior to 30 September 1998 is written off immediately against reserves.

Cash flow

The company is a wholly owned subsidiary of Grainger Trust p.l.c. and the cash flows of the company are included in the consolidated cash flow statement of Grainger Trust p.l.c. Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 from publishing a cash flow statement.

Turnover

Turnover comprises gross rentals, gross sale proceeds of trading properties and land, and sundry other income.

Sales of properties are only accounted for when the cash proceeds are received in full or the company has entered into a legally binding undertaking.

Repairs and improvements

Repairs are expensed to the profit and loss account as incurred. Improvement costs are capitalised.

Finance costs

In accordance with Financial Reporting Standard No 4 "Capital Instruments", debt instrument finance costs are charged to the profit and loss account over the term of the debt instrument.

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Stocks

Development land is shown in the financial statements at the lower of cost to the company and net realisable value. Cost represents the acquisition price together with subsequent infrastructure costs, net of amounts transferred to cost of sales. Net realisable value is the current market value of the land as advised by the company's professional valuers.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

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Notes to the financial statements for the year ended 30 September 2000

1 Directors and employees

There are no persons holding service contracts with Hatch Warren 1992 Limited.

None of the directors received any remuneration from the company during the year, or in the previous year.

2 Net interest payable and similar charges

	2000	1999
	£	£
On bank loans and overdrafts	7	37
Finance costs of unsecured convertible loan stock	2,489,955	2,203,500
Interest receivable	(35,289)	(1,441)
	2,454,673	2,202,096

3 Taxation

	2000	1999
	£	£
UK corporation tax at 30.0% (1999: 30.5%)		
Current	2,401,950	2,297,922
Over provision in respect of prior year	(27,346)	-
	2,374,604	2,297,922

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4 Fixed asset investments

Company

	Investment in subsidiaries
	£
Cost	
At 1 October 1999 and 30 September 2000	-
Provisions	
At 1 October 1999 and 30 September 2000	-
Net book value	
At 30 September 1999 and 2000	-

The company owns 100% of the ordinary share capital in the following subsidiaries:

Name of company	Activity
Derwent Developments Limited	Property trading and land development
West Waterlooville Developments Limited	Property trading and land development

Both subsidiaries are registered in England and Wales.

5 Stocks

	2000 Group	2000 Company	1999 Group	1999 Company
	£	£	£	£
Development land	8,321,054	86,998	3,241,753	83,076

Hatch Warren 1992 Limited

6 Debtors

	2000 Group	2000 Company	1999 Group	1999 Company
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,111,424	-	335,000	-
Amount owed by group undertakings	10,177,260	13,215,145	5,513,827	11,866,307
Prepayments and accrued income	129,674	-	-	-
	11,418,358	13,215,145	5,848,827	11,866,307

7 Creditors: amounts falling due within one year

	2000 Group	2000 Company	1999 Group	1999 Company
	£	£	£	£
Trade creditors	13,295	150	16,664	286
Bank borrowing	582,514	-	-	-
Accruals and deferred income	28,246	-	1,454,516	704
Corporation tax	2,035,304	611,275	1,658,172	761,233
Other taxation	-	-	1,466,690	-
	2,659,359	611,425	4,596,042	762,223

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8 Creditors: amounts falling due after more than one year

Group and company

	2000	1999
	£	£
Loan stock issued to a fellow subsidiary	21,643,455	19,153,500

On 30 September 1997 the company issued zero coupon unsecured convertible loan stock with a nominal value of £30,000,000 for a discounted sum of £15,000,000 to Northumberland & Durham Property Trust Limited.

The loan stock is convertible unsecured zero coupon stock which is redeemable in full by the company on 7 October 2003 to the extent not converted or redeemed.

Conversion rights are at the option of the stockholder and expire on 7 October 2003 and are at a rate of 3 £1 ordinary shares in the company for every £5,000 nominal value of the stock.

If the stockholders have not served notice as to conversion or redemption prior to 31 July 2003 then the company can, through written notice, be requested to defer redemption or conversion to 7 October 2005 where upon conversion the rate will be as above and where on redemption, a premium of 21% will become payable.

The carrying value of the loan stock includes £6,643,455 (1999: £4,153,500) in respect of accrued finance costs.

9 Called up share capital

	2000	1999
	£	£
Authorised		
100,000 ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
100,000 ordinary shares of £1 each	100,000	100,000

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10 Profit and loss account

	Group £	Company £
At 1 October 1999	(8,620,707)	(7,900,227)
Profit/(loss) for the year	3,957,305	(248,404)
At 30 September 2000	(4,663,402)	(8,148,631)

As permitted by section 230 of the Companies Act 1985, the parent company's profit and loss account has not been included in these financial statements. The parent company's loss for the financial year was £248,404 (1999: £3,125,799).

The cumulative amount of goodwill resulting from acquisitions, which have been accounted for through reserves, is £903,735 (1999: £903,735).

11 Reconciliation of movements in consolidated equity shareholders' funds

	2000 £	1999 £
Profit for the financial year	3,957,305	2,705,662
Opening equity shareholders' funds	(8,520,707)	(11,226,369)
Closing equity shareholders' funds	(4,563,402)	(8,520,707)

12 Contingent liabilities

The company, in common with certain of its fellow subsidiaries, has guaranteed mortgages and loans of £70,347,000 of certain fellow subsidiaries by means of a floating charge over its assets.

13 Related party transactions

The company has taken advantage of the exemptions available under Financial Reporting Standard No.8 and has not disclosed transactions with companies that are part of the Grainger Trust p.l.c. group.

Hatch Warren 1992 Limited

14 Controlling parties

The directors regard GIP Limited, a company registered in England and Wales, as the immediate controlling party and parent company by virtue of its 100% shareholding in the company.

The directors regard Grainger Trust p.l.c., a company registered in England and Wales, as the ultimate controlling party and parent company by virtue of its majority shareholding. Copies of the parent's consolidated financial statements may be obtained from The Secretary, Grainger Trust p.l.c., Times Square, Newcastle upon Tyne, NE1 4EP.

15 Ultimate parent company support

The directors of the ultimate parent company, Grainger Trust p.l.c., have confirmed their intentions to support Hatch Warren 1992 Limited.